ANALYSIS OF FINANCIAL REPORTS TO ASSESS FINANCIAL PERFORMANCE USING THE LIQUIDITY RATIO APPROACH AT PT BANK NEGARA INDONESIA (PERSERO) TBK

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Article Info	ABSTRACT
Keywords: Likuiditas, Current Ratio, Quick Ratio, Cash Turnover Ratio	This research is his research is very important and aims to determine the liquidity ratio of PT. Bank Negara Indonesia (Persero) Tbk for the period of 2021-2023. The data examined consists of the financial statements of PT. Bank Negara Indonesia (Persero) Tbk from 2021 to 2023, in accordance with industry standards for liquidity ratios. The measuring tools used for liquidity ratios are: Current Ratio, Quick Ratio, Cash Ratio, and Cash Turnover Ratio. Using a descriptive quantitative research approach. The data collection technique is documentation by obtaining financial report data from PT. Bank Negara Indonesia Tbk for the period 2021 – 2023 on the Indonesia Stock Exchange website. The hypothesis analysis method used differs from previous studies because this research employs an independent sample t-test to compare two means from a sample of four independent variables: Current Ratio, Quick Ratio, Cash Ratio, and Cash Turnover Ratio, along with one dependent variable, financial performance measured by Return On Assets. The results of this study indicate that three independent variables—Current Ratio, Quick Ratio, and Cash Ratio—are significant with the dependent variable financial performance measured by Return On Assets, while one independent variable, Cash Turnover Ratio, is not significant with the dependent variable Cash Turnover Ratio.
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INTRODUCTION

The economic development of a country depends on the dynamic progress and tangible contributions of the banking sector. In its understanding, a bank is a business entity that collects funds from the public in the form of deposits and distributes them to the community in the form of loans and/or other

forms in order to improve the standard of living of the people. The role of banking in advancing a country's economy is significant and holds an important place as an institution that influences economic activities. Banking institutions are one of the backbones of a country's economy, as they serve the function of intermediation or act as intermediaries between capital owners and fund users. (Fitria, 2016).

The Financial statements, according to the Indonesian Institute of Accountants (2015) in Financial Accounting Standards (SAK) No. 1, state that financial statements are part of the financial reporting process and that financial statements are a structured presentation of the financial position and financial performance of an entity. Complete financial statements typically include the balance sheet, income statement, statement of changes in financial position (which can be presented in various ways, such as a cash flow statement or a funds flow statement), notes, and other reports as well as explanatory materials that are an integral part of the financial statement.

Ratio analysis can develop the position of conditions as well as the results achieved. Ratio analysis can be classified into various types, including liquidity ratios, activity ratios, solvency ratios, and profitability ratios. With these financial ratios, one can determine the levels of liquidity, activity, solvency, and profitability of a company, providing a true picture of the company and allowing for the measurement of its financial performance. In this study, the focus is on liquidity ratios, analyzed through three measurements: Current Ratio, Quick Ratio, Cash Ratio, Cash Turnover Ratio, and Inventory to Net Working Capital Ratio. (Inventory to Net Working Capital Ratio).

In the research by Jeshica Khoirunnisa Amalia (2021) titled "Analysis of Financial Statements to Assess the Financial Performance of PT. Mandom Indonesia, Tbk for the Period 2014-2019." Based on the analysis conducted by the researchers, it can be concluded that the company's cash trend is indeed experiencing a decline; however, PT. Mandom Indonesia, Tbk can assure its ability to meet all of its short-term obligations. This indicates PT. Mandom Indonesia.

In the research by Milke Destiana Tandilimbong, Faridah, Thanwain (2019) titled "Analysis of Financial Performance at PT Bank BNI (Persero) Tbk Makassar Branch." Based on the CAMEL method analysis, PT Bank BNI (Persero) Tbk Makassar Branch is classified as a healthy banking company.

In the research by Yayuk Indah Wahyuning Tyas (2020) titled "Financial Ratio Analysis to Assess Financial Performance at Elzatta Probolinggo." The research results, when viewed from the liquidity ratio and the solvency ratio, specifically the Debt to Asset Ratio from 2018 to 2019, are very good. Furthermore, looking at the activity ratio, the effectiveness of Elzatta based on the Inventory Turnover from 2018 to 2019 in carrying out its operational activities can be considered effective.

In the research by Putu Sulastri and Nurul Marta Hapsari (2015) titled "Financial Ratio Analysis to Assess Company Financial Performance (Case Study of PT. Andalan Finance Indonesia

for the Years 2011-2013)," the results of the ratio analysis for PT Andalan Finance Indonesia Semarang indicate that based on liquidity ratios, the Current Ratio in 2011 was better compared to 2012-2013.

In the research by Harianto Gultom (2021), the influence of profitability and liquidity on financial performance in food and beverage companies listed on the Indonesia Stock Exchange is examined. The research results indicate that profitability and liquidity have a significant impact on financial performance.

In the study by Asniwati (2020) on the influence of liquidity, solvency, and profitability ratios on the financial performance of PT. Midi Utama Indonesia Tbk, which is listed on the Indonesia Stock Exchange, the results indicate a significant effect of liquidity on the financial performance of PT. Midi Utama Indonesia Tbk. This means that the better the liquidity ratio, the more the financial performance improves, particularly in terms of the company's ability to meet its short-term obligations.

his research differs from previous studies; the sample ratio used is the liquidity ratios: Current Ratio, Quick Ratio, Cash Ratio, and Cash Turnover Ratio in relation to financial performance measured by Return On Asset. The analysis method in this study employs the Independent Sample t-test or the test for the difference between two means.

METHODS

The object, type of research, and research sample use a quantitative approach, specifically examining the financial reports of PT. Bank Negara Indonesia (Persero) Tbk from 2021 to 2023 to assess the financial performance of PT. Bank Negara Indonesia Tbk as viewed through the lens of liquidity ratios: current ratio, quick ratio, cash ratio, cash turnover, and financial performance measured by return on assets from 2021 to 2023 as listed on the Indonesia Stock Exchange. The data analysis method of this research involves analyzing financial ratios, quantitative descriptive analysis, normality tests, and tests for the difference between two means. (independent sample test).

RESULTS AND DISCUSSION

Tabel 1. Current Ratio in Relation to Financial Performance Return on Assets

Group Statistics

	RASIO	N	Mean	Std. Deviation	Std. Error Mean
NILAI RASIO	CURRENT RATIO	3	203.9000	7.22959	4.17400
	RETURN ON ASSET	3	1.6100	.42154	.24338

Independent Samples Test

		Levene's Test for Equality of Variances				
		F	Sig.	t	df	Sig. (2-tailed)
NILAI RASIO	Equal variances assumed	4.358	.105	48.382	4	.000
	Equal variances not assumed			48.382	2.014	.000

Data source Secondary data processed with SPSS 25

The liquidity ratio measured using the current ratio is the most commonly used metric to determine the ability to meet short-term obligations. (Kasmir, 2014). If a company's current ratio is more than 1.0 (100%), then the company has a good ability to settle its obligations. This is because its assets are greater than its liabilities. However, if the company's current ratio is below 1.0, then its ability to pay off debts is still in question.

The current ratio indicates whether the demands of short-term creditors can be met by assets expected to become current assets within the same period as the debt's maturity. A low current ratio is typically seen as a sign of liquidity issues. On the other hand, a company with an excessively high current ratio is also not good, as it indicates a large amount of idle funds that can ultimately reduce the company's profitability.

The current ratio of PT. Bank Negara Indonesia (Persero) Tbk in 2021 was 205.97%, in 2022 it was 214.09%, and in 2023 it was 199.98%. Although the percentage of the current ratio has decreased each year, in 2023 PT. Bank Negara Indonesia (Persero) Tbk remains capable of meeting its current obligations because the current ratio is above 100%.

Based on the results of the analysis of the independent sample t-test, the calculated F value for the ratio is 4.358 with a significance of 0.105. Due to the significance being greater than 0.05, the basis used is Equal Variances not Assumed (the two variances are not equal). Thus, the calculated t for the Current Ratio is 48.382 with a significance of 0.000. Since the significance is less than 0.05, it can be stated that there is a significant effect of the current ratio on financial performance as measured by return on assets.

The results of this study are in line with the research conducted by Asniwati (2020), which shows that the current ratio has a significant effect on financial performance, specifically return on assets. This indicates that there is an influence of liquidity on the financial performance of PT. Midi Utama Indonesia Tbk, meaning that the better the liquidity ratio, the more financial performance

improves, particularly in terms of the ability to meet short-term obligations. In other words, the first hypothesis proposed is accepted.

The results of this study are in line with research by Fajaryani (2018) which found that, partially, liquidity measured by the current ratio has a significant negative effect on the financial performance of companies in the property and real estate sub-sector listed on the Indonesia Stock Exchange during the period of 2013-2016. This finding indicates that an increase in the current ratio is inversely related to financial performance.

However, contrary to the research conducted by Muarif (2021), which states that liquidity has a negative impact on financial performance. High liquidity can lead to a decrease in the company's assets because it is used to meet short-term obligations to third parties, so an increase in liquidity can also result in a decline in financial performance.

Tabel 2. Quick Ratio in Relation to Financial Performance Return on Assets

Group Statistics

	RASIO	N	Mean	Std. Deviation	Std. Error Mean
NILAI RASIO	QUICK RATIO	3	185.1633	7.41402	4.28048
	RETURN ON ASSET	3	1.6100	.42154	.24338

Independent Samples Test

		Levene's Test for Equality of Variances				
		F	Sig.	t	df	Sig. (2-tailed)
NILAI RASIO	Equal variances assumed	5.745	.075	42.812	4	.000
	Equal variances not assumed			42.812	2.013	.001

Data source Secondary data processed with SPSS 25

The liquidity ratio using the quick ratio, if it is above 1.0 (100%), indicates that the company has a good ability to meet its obligations. However, if the value is above 3.0 (300%), it does not necessarily mean that the company's liquidity situation is good. The company's cash may be large because it is not allocated anywhere, making it unproductive. Another reason is the high accounts receivable of the company.

Based on the Quick Ratio of PT. Bank Negara Indonesia (Persero) Tbk, in 2021 it was 289.40%, in 2022 it was 194.61%, and in 2023 it was 1780.26%. Although the percentage of the Quick Ratio has decreased each year, in 2023 PT. Bank Negara Indonesia (Persero) Tbk is still able to meet its current obligations using its current assets, as the Quick Ratio is above 100%.

Based on the results of the independent sample t-test, the calculated F value for the ratio is 5.745 with a significance of 0.075. Due to the significance being greater than 0.05, the basis used is Equal Variances not Assumed (the two variances are not equal). Thus, the calculated t for the quick ratio is 42.812 with a significance of 0.001. Since the probability is <0.05, it can be stated that there is a significant influence of the quick ratio on financial performance as measured by return on assets.

The results of this study are in line with the research conducted by Harianto Gultom (2021) and Dian Anissa Firdaus (2020), which shows that liquidity ratios have a significant impact on financial performance. The findings indicate that liquidity has a significant positive effect on the financial performance of companies that are already able to use their current assets to meet their current obligations.

The results of this study are in line with the research by Renil Septiano and Rysha Mulyadi, which examined the impact of liquidity and company size on financial performance in automotive companies listed on the Indonesia Stock Exchange. Their findings indicate that liquidity has a negative effect on the financial performance of automotive companies listed on the Indonesia Stock Exchange from 2017 to 2021. The higher the level of liquidity in a company, the better the company's financial performance will be.

Tabel 3. Cash Ratio in Relation to Financial Performance Return on Assets

RASIO		N	Mean	Std. Deviation	Std. Error Mean
NILAI RASIO	CASH RATIO	3	7.3067	1.27583	.73660
	RETURN ON ASSET	3	1.6100	.42154	.24338

Independent Samples Test

| | | Levene's Test for Equality of Variances | | t-te | | |
		F	Sig.	t	df	Sig. (2-tailed)
NILAI RASIO	Equal variances assumed	3.628	.130	7.343	4	.002
	Equal variances not assumed			7.343	2.432	.010

Data source Secondary data processed with SPSS 25

The availability of cash can be indicated by the presence of cash funds or equivalents such as checking accounts or savings in the bank. (yang dapat ditarik setiap saat). It can be said that this ratio reflects the company's true ability to pay its short-term debts.

The Cash Ratio of PT. Bank Negara Indonesia (Persero) Tbk was 13.70% in 2021, 20.56% in 2022, and 14.44% in 2023. PT. Bank Negara Indonesia (Persero) Tbk has consistently managed to control its cash ratio effectively, utilizing its cash well to meet its current obligations.

Based on the analysis results of the independent sample t-test, the calculated F value for the ratio is 3.628 with a significance of 0.130. Due to the significance being greater than 0.05, the basis used is Equal Variances not Assumed (the two variances are not equal). Thus, the calculated t for the cash ratio is 7.343 with a significance of 0.010. Due to the probability being less than 0.05, it can be stated that there is a significant effect of the cash ratio on financial performance as measured by return on assets.

The results of this study are in line with the research conducted by Eva Sriwiwiyanti (2020) and Arysa Ardy Septhina (2015), which shows that liquidity ratios have a significant impact on

financial performance as measured by return on assets. Where the company is already able to use its cash assets to meet its due obligations.

The results of this study are not in line with the research by Maryanto, Laras Tri Oktapia (2022), which found that the cash ratio does not have a significant partial effect on the financial performance of PT. Astra Otoparts Tbk during the period from 2010 to 2018. This is evidenced by the t calculated being smaller than the t table (0.709 < 2.57058) with a significance value of 0.510 (sig > 0.05). The partial influence of the cash ratio on the financial performance of PT. Astra Otoparts Tbk during the period of 2010-2018 is only 18.97%.

Tabel 4. Cash Turnover Ratio in Relation to Financial Performance Return on Assets

Group Statistics

	RASIO	N	Mean	Std. Deviation	Std. Error Mean
NILAI RASIO	CASH TURN OVER RATIO	3	11.8300	2.74629	1.58557
	RETURN ON ASSET	3	11.8300	2.74629	1.58557

Independent Samples Test

		Levene's Test for Equality of Variances				
		F	Sig.	t	df	Sig. (2-tailed)
NILAI RASIO	Equal variances assumed	.000	1.000	.000	4	1.000
	Equal variances not assumed			.000	4.000	1.000

Data source Secondary data processed with SPSS 25

The liquidity ratio using the Cash Turnover Ratio is used to measure the level of cash availability in paying bills and costs related to sales. To find net working capital, subtract current liabilities from current assets. Working capital in this sense is referred to as the net capital owned by the company, while gross working capital or simply working capital is the total of current assets.

The Cash Turnover Ratio of PT. Bank Negara Indonesia (Persero) Tbk in 2021 was 8.67%, which increased to 13.18% in 2022 and further rose to 13.64% in 2023. The Cash Turnover Ratio of PT. Bank Negara Indonesia (Persero) Tbk is very good because its cash turnover rate is high and has been increasing each year.

Based on the results of the independent sample t-test analysis, the calculated F value for the ratio is 0.000 with a significance of 1.000. Since the significance is greater than 0.05, the basis used is Equal Variances not Assumed (the two variances are not equal). Therefore, the calculated t value for the cash turnover ratio is 0.000 with a significance of 1.000. Since the probability is greater than 0.05, it can be stated that there is no significant effect of the cash turnover ratio on financial performance as measured by return on assets.

The results of this study are in line with the research conducted by Nuriyani and Zannati (2017), Wijaya and Tjun (2017), which states that there is a simultaneous effect between Cash Turnover and Receivable Turnover on Return On Assets. Similarly, the research conducted by

Rahayu and Susilowibowo (2014) indicates that cash turnover and receivable turnover simultaneously affect financial performance.

The research findings are in line with studies indicating that based on the t-test results regarding Cash Turnover and Return On Asset at PT. Perkebunan Nusantara III (Persero) Medan for the period of 2008-2017, it is stated that Cash Turnover has a significant partial effect on Return On Asset.

The research results also align with those of Rivaldo, Ruhadi, and Rosma Pakpahan (2022), which state that Cash Turnover significantly affects Return On Asset at PT. Unilever Indonesia, as ROA can be used as a measure of how much profit the company earns by comparing its net profit to total assets. This indicates that the higher the ROA, the more productive the assets are in generating profit. Consequently, the company's market value will increase.

CONCLUSION

Based on the analysis of the influence of the current ratio, quick ratio, cash ratio, and cash turnover ratio on the financial performance measured by return on assets of PT. Bank Negara Indonesia (Persero) Tbk from 2021 to 2023, using an independent sample t-test, it was found that three liquidity ratio variables current ratio, quick ratio, and cash ratio have a significant effect, while one variable, the cash turnover ratio, does not significantly affect the financial performance measured by return on assets. The implication of this research is that the company should optimize the cash turnover ratio, as a higher cash turnover rate indicates better liquidity levels.

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